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THE FRENCH RAILWAY PROBLEM¹

THE reorganization of the French railroad system is not a problem arising out of the War. Its genesis goes back forty years, to the inauguration of the notorious Conventions of 1883. In order to insure to the nation a comprehensive system of transport, the State then entered into an agreement with the five great companies for the construction of new lines. Capital for the enterprise was to be furnished by the issuance of bond obligations whose interest and amortization would be advanced by the Treasury. The Government further agreed to make good all deficits and guaranteed to the stockholders a minimum of approximately 50.1 fr. per share. The law also fixed a maximum dividend which averaged 69.2 fr. All excess above this figure was to be divided two-thirds to the State and one-third to the shareholders. The Conventions finally were to continue to 1914 for the Company of the North and the Paris-Lyons-Mediterranean, to 1934 for the Company of the East, to 1958 for the Paris-Orleans Company, and to 1960 for the Company of the South.

Such in a word are the outstanding features of the "Conventions Scélérats" ("rascally conventions") of 1883. Why have they merited this opprobrium? The initiators of the new régime were firmly convinced of its eventual economy to the State. The flight of years, however, soon dispelled these fancies. Instead of promptly eclipsing expenses, as they had hoped, receipts continued to fall far short. We learn on the

¹ This study is the result of personal investigation by the writer, during the past summer, in France. Mr. Bresler, in the course of his observations, had profitable interviews with leaders in all phases of French railroad activity, including M. Pés. chaud, secretary-general of the Compagnie d'Orléans and spokesman of the private roads, M. Seinart, newly-elected secretary of the National Federation of Railway Workers, M. Dulot, editor-in-chief of *L'Information Sociale et Ouvrière*. He also had access to the official documents of the Railroad Section of the Ministry of Public Works and received valuable aid from M. Thaveney, chief of that division. The writer was especially fortunate in receiving the heartiest cooperation of M. Allix of the Société d'Études de l'Information Économique, who is also economic editor of the *Journal des Débats* and unquestionably the greatest authority on the French railroads.

authority of M. Henri Lorin¹ who made a study of the situation for the Chamber of Deputies, that from 1906 to 1913 railroad expenses increased 50.5 per cent, while receipts increased only 24.65 per cent. The result was a steadily mounting deficit. In 1913, a year of normal economic conditions, only two of the roads, the North and the Lyons, were able to meet expenses. The general deficit for all the lines that year was seventy-nine million francs. On the eve of the War (December 31, 1913) the roads owed the State for "guarantee of interest" (interest and capital) advanced, the formidable sum of 617,343,808 francs. At the same time, however, shareholders were earning dividends of 7.5 per cent on the Company of the East, 10 per cent on the Company of the South, 11 per cent on the Paris-Lyons-Mediterranean, and 15 per cent on the Company of the North. Indeed, in a single year the North company distributed among its shareholders a sum greater in amount than that which the Belgian State Railway, a road of equal magnitude and importance, contributed to the Public Treasury in seventy-five years.²

The economic consequences to the nation of the "Scélérat" Conventions have been no less disastrous. True, the system engendered a period of healthy road-building which, during the first ten years after the agreements, led to the construction of forty-eight per cent of France's railroad lines. In so far as backward regions were being developed and national commerce solidified, there was some justification for the tremendous expense. But the construction of new lines gradually slowed down; by 1895 the innermost "hinterland" had already been exploited. There was no longer a need to stimulate further development. From then on the Conventions outlived their usefulness.

The railroads, left to their own devices, began to build up powerful internal organizations. The agreements gave them complete autonomy of technical administration; this autonomy

¹ Report in Chamber of Deputies, 1917, on a Government Bill relative to the increase of railroad rates.

² Edgard Milhaud, *Les Fermiers Généraux du rail* (Grasset, Paris, 1920), p. 357.

gave rise to that particularist attitude which henceforth dominated their activity. Parliamentary reformers have been unanimous in demanding the "abolition of those dividing walls which isolate the various systems, whether on the question of rates, or of rolling stock, or that of signal arrangements".¹

This absolute lack of coordination between the roads has affected adversely the utilization of personnel and equipment. Because of the diversity of types used, vehicles temporarily operating on another road, which were in need of immediate repair, had to be abandoned. "We have seen", writes Marcel Bidégaray, Secretary-General of the National Federation of Railroad Workers, "vehicles needing an hour's repair at the cost of from 15 to 20 francs [about \$1.60] remain on a side, two weeks, two months, six months, two years, because repair parts were missing. When finally these parts arrived from the original road, the vehicle was already ruined by the rottenness due to exposure. It has been the same way for thousands upon thousands of railway carriages. And this at a time when commerce, industry and agriculture were appealing for more cars".²

The Conventions of 1883 have thus been the indirect cause of the movement for reorganization. Denounced by the Companies, the public and the Government alike, their sole value rests perhaps in the fact that they have crystalized a universal sentiment for the amelioration of the transport service through a new régime which will envisage the cooperation of all interested elements.

That there was widespread discontent with the existing system on the eve of the War, is patent. As early as 1911, M. Monis, President of the Council, declared: "A radical revision of the Conventions and a reform of the present régime would permit the companies to fulfil their obligations and assure to the public a better utilization of the means of transport."³ In

¹ Argument to the "Government Bill Relative to a New Régime for the Railroads", July, 1920.

Marcel Bidégaray, *La Nationalisation des chemins de fer* (Courrebevoie, 1919), pp. 44, 45.

³ Speech in Senate, March 6, 1911.

1912-1913, M. Thomas, acting for the parliamentary Budget Commission, prepared several elaborate reports¹ in which he condemned the existing state of the transport service and advised a complete reorganization. Rumbings, too, were heard in the dissatisfaction of the personnel, in the paralyzing strikes of 1912-13, and in the campaign conducted by the Companies for financial modification of the Conventions.

Then came the world conflict, and with it the stupendous task of repelling the invader. When the War began, Germany had decided advantages in the extent of lines, the number of locomotives, the quality of fuel, and the calibre of her personnel. In 1911, Gen. Bernhardi estimated² that in the event of conflict, Germany could mass her troops on the frontier three days faster than France. Edgar Milhaud, strong advocate of Government control, comments on the reasons for this superiority, as follows:

This fatal condition is due to the anti-national spirit of our great companies contrasted with the nationalistic spirit of the German railways, the first inclining exclusively to a maximum of financial advantages for its shareholders, the second, above all, to a maximum economic advantage for the nation; the first characterized by the intense bitterness of its personnel, the second by a solicitude for the economic welfare of the country; the first by a policy of economy above all, the second by the broad conception of the necessity for the extension of national transport.

The private roads nobly responded to the call to arms. A spirit of cooperation supplanted the particularist pre-war attitude; all hands tried to ameliorate the service under military control. But the existing system was far from perfect and under the strain of emergency gaping holes began to show up. Railway men still speak of those crucial two days during the siege of Verdun when the railroads had to be supplanted by an improvised service of motor trucks. The road in charge of that region was officially censured by the War Department some

¹ Report on Budget of Conventions, Chamber of Deputies, Winter Session, 1911, p. 234.

² Cited in Edgar Milhaud, *Les Fermiers Généraux du rail*, p. 308.

time later for its inefficiency on the occasion. The operations on the Marne were also considerably retarded by a transport crisis, such as a road well equipped and well managed would never have experienced.

Incidents such as these showed with brutal clarity that something was radically wrong. Matters were made worse, furthermore, by a continued financial crisis. As we have already noted, the situation for the railroads in 1914 was far from brilliant. Discouraging as it was in the first months of the War, it became increasingly worse as the conflict went on. Depreciation of rolling stock through destruction and wear and tear, increase in the cost of raw materials and in expenses of personnel (208 per cent between 1913 and 1919), and a falling-off of receipts, caused the deficit to mount fourfold during the first year of the War.

The State soon realized that to continue the policy of "*laissez-faire*" would cause decay of the transport service. By several measures, hastily improvised from time to time, it strove to prop up the tottering system.¹ The concessions of the Companies of the North and the Paris-Lyons-Mediterranean were extended. The Treasury agreed to assume forty per cent of the expense incurred in purchasing equipment abroad (344 million francs). The Government agreed further to revive the famous Cotellet Treaty, which provided for compensation for the transportation of military supplies, and in 1918 allowed a general increase of twenty-five per cent in rates. Finally, the Treasury was authorized to set aside a fund of 600 million francs to be devoted to the payment of long-promised indemnities to the operatives and the restoration of equipment to a pre-war footing. In creating (in 1918) a special supervisory adjunct of the Department of Public Works for the railroads, the Government clearly realized the necessity for artificial stimulation in order to insure the success of military operations.

Of the post-armistice period little need be said. The railroads were returned to their private owners. On a peace basis once more, they soon reverted to their ancient policy of isola-

¹ Cf. Report of Commission of Public Works of Chamber of Deputies on Government Bill Relative to a New Régime for the Railroads, pp. 21-23.

tion—and this at a time when financial cooperation was necessary to maintain any sort of an equilibrium. Such a spirit could have but one result: the general deficit rose from 479.4 million francs in 1918 to 1211.7 million in 1919, while for 1920 alone it was 2,794 million francs, or a little less than half of the deficit for the previous seven years together (6,663 million francs). Add to that the growing discontent among a thoroughly disgusted personnel, manifesting itself in the great strikes of 1919 and 1920; a harassing press campaign for radical reorganization, and the beginnings of definite reformative projects, and we have in sum the modern tendencies.

With the cessation of hostilities, the railroad situation came in for a great deal of attention. Labor, emerging from the War in a reinforced position, appreciated its golden opportunity to press for ameliorative reforms. The powerful "Confédération Générale du Travail", the French general federation of trade unions, appointed an Economic Council to study the existing evils and if possible evolve some concrete plan for the future. Publicists of the stamp of Secretary Jouhaux of the C. G. T., Edgar Milhaud, Maxime Leroy and Marcel Bidégaray, Secretary-General of the Railroad Workers' Federation, and the "big gun" of the railway operatives, set up a veritable barrage of criticism in French radical organs. The momentary successes of the new soviet industrialism engendered wild schemes for "worker control". Nationalization of industry became the slogan of the French laborer. It was a famous Socialist, however, who first crystallized the industrialist point of view in a definite project of reform.

In April, 1919, M. Albert Thomas, Socialist Deputy, presented in the Chamber of Deputies, "A Bill for the Nationalization of the Railroads in the General Interest". The elaborate argument was a stirring arraignment of the existing system. After indicating that only by radical reorganization of the railroads could France effect the reconstruction of her devastated areas, M. Thomas proceeded to enumerate the advantages of nationalization:¹

¹ *Proposition de Loi pour un Nouveau Régime des Chemins de Fer, dans l'Intérêt Générale*, see *Journal Officiel*, April 21, 1919.

(1) As the railroads are essentially a non-industrial enterprise, it follows that their operation need not be remunerative. On certain occasions a nation should make sacrifices for its public services. Often the recompense will suffer long delay, but in the interim national development will receive an impetus.

(2) Under direct State control, the same budget will support any deficit which may arise and on the other hand will be the beneficiary of possible surpluses. In any case, the State possesses at once a means of serving the interests of the community, and, in the satisfaction of this aim, is not confronted by any obstacle.

(3) Railroads are a natural monopoly; their administration should not be allocated to isolated, dissimilar groups. The unification of the roads will have considerable practical advantages. With a single line, material becomes interchangeable; it can circulate throughout the length and breadth of the country, sensitized to local needs.

(4) Under one grand system, equipment can be constructed on a large scale, at a more advantageous price.

(5) But the centralization of the railroads can only be effected by the intervention of the State, which will put an end to the multifarious Conventions and to the determined resistance of the private companies.

M. Thomas proposed to realize nationalization by invoking the procedure for purchase of the railroads as envisaged in the Conventions of 1883. The State would thus pay annuities to the private roads until the expiration of their concessions. The basis of this annuity would be the average net receipts earned by the railroads in the seven years immediately preceding the purchase. The private owners would also be compensated for new lines constructed during the fifteen years before the purchase, while the "guarantee of interest" owed by the railroads would be paid by the rolling stock taken up. Finally, there was provision for a liberal system of administrative control under parliamentary supervision, in which the personnel and the general public would play prominent parts.

The proposition of M. Thomas was doomed from the moment of its inception. The C. G. T., while in accord with its broad

doctrines, regarded it as inadequate and preferred to "sit tight" till the more practical measure being evolved by its Economic Council was perfected. The Government, also at work on a remedial measure, stirred up powerful opposition.¹ It was introduced in the Chamber at a time when the Socialist *bloc* was in disrepute because of its uncompromising stand on the Treaty of Versailles. The Bill received a scant four-hour discussion in committee and was never reported out.²

By this time the program of the Economic Council of the C. G. T. had neared completion. The ruination of the Thomas plan convinced them³ of the necessity for something more tangible. Their project underwent a radical revision and it was not till the spring of 1920 that it was published tentatively.⁴ In its general outlines it proposed a sort of expropriation of the private roads, whose shareholders would be paid the value of all equipment and rolling stock taken up. The state would then proceed to operate the lines in one great system under highly centralized control. The plan envisaged the creation of an elaborate administrative machinery. Control would be vested in a Central Administrative Council consisting of representatives of the public, the Government, and the personnel. In order to defeat any possible tendency toward overcentralization, the C. G. T. proposed to establish regional committees, constituted and operating along the same lines as the central body. The unified system would enjoy a strict budgetary autonomy and the central council might freely administer all funds voted by Parliament. It would be understood, however, that all surpluses would be devoted to lower railroad rates. Interspersed throughout the entire project were tactful clauses safeguarding the interests of the personnel and insuring a fair degree of hegemony by the C. G. T.

This remarkable document concluded with the time-worn distinction between the C. G. T. project and "*Étatisme*"

¹ *La Journée Industrielle*, July 31, 1919.

² *Journal Officiel*, April 30, 1919.

³ *L'Humanité*, Jan. 4, 1920.

⁴ *L'Atelier*, Apr. 17, 1920.

(direct State control), which is anathema to the French workers. "There is a tendency to confuse Nationalization with *Étatisme*. Protagonists of the C. G. T. plan say nothing could be further from their minds. The French workers have always been opponents of government control. They fear the admixture of politics with business, the creation of thousands of petty officials. They desire a system of correlation between the public and the workers."¹ Jouhaux asserted: "We oppose control by any one group. Our social transformation can be effected only by absolute harmony between the essential elements of public and State interest. Our Economic Council has no other ideal".²

In the spring of 1920, at the time when the C. G. T. project reached fruition, the National Federation of Railway Workers was a very radical organization. A distinctly revolutionary element had gotten it firmly in hand; its three big men, Monmousseau, Levêque and Sarolle, were at the same time active leaders in the French Federation of Anarchists. They had already succeeded in instigating several wracking strikes in the first few months of 1920.

The labor horizon was thus overshadowed when on April 17 *L'Atelier*, organ of the C. G. T., published the first draft of the plan prepared by the Economic Council. The leaders of the Railroad Federation received the new program with unconfined delight and proceeded to make it the basis for radical agitation. As result, the big strike of May 1 centered around the demand for nationalization.

Meanwhile the Ministry of Public Works under the able leadership of M. Le Troquer had also been elaborating a project of reorganization. When the strike began to assume alarming proportions, it was decided to publish the Government's tentative plan. Accordingly, on May 17, M. Le Troquer submitted the program to representatives of the five private roads, who immediately signed a Convention agreeing to its broad terms. The next day it was presented in the Chamber

¹ Maxime Leroy, *Les Techniques nouvelles du syndicalisme* (Paris, 1921), p. 281.

² Léon Jouhaux in *L'Information Ouvrière*, October 17, 1920.

of Deputies for preliminary consideration. The Chamber, recognizing the importance of sufficient deliberation, submitted the plan to its Commissions on Public Works and Finances for an exhaustive study. In the meantime, it proceeded to consider two new projects for nationalization.

On May 27, M. Loucheur, Liberal Deputy, with the collaboration of some twenty of his colleagues, presented a "Plan for the Establishment of a New Régime for the Railroads in the General Interest." It first proposed a purchase of the railroads similar to that suggested in the original Albert Thomas plan. The lines taken up would be administered by an independent organization operated for the people. This company would be capitalized at five hundred million francs; the right of subscription to thirty-three per cent of the capital would be reserved for the old shareholders, a slice of thirty-three per cent for Chambers of Commerce, of Agriculture etc., and the remaining stock, solicited by public subscription, would be devoted to guarantee payment of dividends on the major portion. The roads would be administered by a Superior Council consisting of representatives of the shareholders, the Government, the industrial groups and the personnel. Finally, all deliberations of this body would be subject to approval by the Ministry of Public Works.

The Loucheur plan was clearly ill-adapted to the needs of the moment. What the country needed was an immediate reorganization and revision, not an intricate procedure of purchase which must entangle the railroads in years of useless litigation. "Not to speak of the risk this operation would make our finances undergo, his solution would mean the prolongation of business uncertainty, useful only to the stock manipulator, while the entire economic life of the country would be disrupted through the lack of that cardinal element in our industrial advance—financial stability."¹ No less distasteful was the provision for close parliamentary supervision which would expose the administrative organization to all the exigencies of bureaucratic control. The complex machinery whereby labor

¹ *Revue Générale des Chemins de Fer*, Feb., 1921.

was to share in the financial benefits, gained few adherents from the ranks of the enlightened working element. They emphasized the danger of being submerged in a morass of inferior personnel which clearly would be in preponderance. In short, as a current writer put it, "The Loucheur plan, inundated as it is in an ocean of unfavorable features, must needs be the focal point of a virulent criticism".¹

The press—always a powerful factor in any issue of general interest—was unanimous in denouncing the measure as impracticable.² And with its author himself practically converted to the opposition, small wonder it was that the Loucheur project fell miserably flat in the Chamber of Deputies. That body—already firmly devoted to the program of the Ministry—refused even to dignify it by a vote.

The plan of the Republican-Socialist group was introduced in Parliament hardly before the bad feeling engendered by the Loucheur project had departed.³ The new proposal comprised the plan outlined by the Economic Council of the C. G. T. The labor group had fused with the industrial wing of the Socialist Party and had intrusted Léon Blum, famous radical editor, with the duty of expounding the doctrine of nationalization before the Deputies. M. Blum harangued the Chamber for three days on the advantages of the project, but to no avail. It was violently opposed by the same element that had successfully suppressed the Loucheur scheme. When put to a vote on August 2, the Bill was decisively rejected by 435 to 119.⁴

The defeat of the Blum program apparently sounded the death knell, for the time being at least, of the movement for railway nationalization in France. The powerful labor and political organizations which had supported it now saw the fallacy of maintaining a costly propaganda for a cause whose

¹ André Liesse, "*Le Régime futur des chemins de fer français*", in *Revue Politique et Parlementaire*, July, 1920, vol. xiv, p. 17.

² Consult, for instance, *Le Temps*, May 18, 19, 1920; *Le Matin*, May 19, 1920.

³ *Journal Officiel*, May, 1920.

⁴ *Ibid.*, Aug., 1920.

chances of success were so meagre. They preferred rather to take their chances on the Government scheme for reorganization, which was sure to be adopted. The press rejoiced that France had been saved from a "Syndicalist octopus calculated to undermine our economic structure by the application of Bolshevism to the railroads."¹ It was pointed out that the adoption of either plan would have committed the nation to a system like that in England, where "all lines are under the complete control of the State. The service is in every respect worse than it was before the War and the charges, in most cases, greater; yet instead of covering costs, it shows a heavy deficit."² Capitalist organizations like the National Chamber of Commerce, the Federated Union of Entrepreneurs, and others of like stamp, saw in the defeat of the labor project "a return to the sane pre-war conceptions of industrial morality".³ The C. G. T. itself was forced to acknowledge a reverse when the National Federation of Railway Employees, at its annual Congress in Orleans in September, deposed its leader, Bidégaray, fervent devotee of nationalization, and went on record as opposing any solution which would envisage the admixture of state and industry. "To accept the system of rule under a bureaucracy as conceived in the plan of our colleagues would have defeated the very ideals for which our organization came into existence."⁴

The Chamber of Deputies, when it reconvened in the fall of 1920 to consider the Government plan for a "Reorganization of the Railroads in the Common Interest", was decidedly pro-administration.⁵ Opposition, moreover, was in a precarious state, due to the defection of M. Loucheur to the project of the Ministry and the split between the C. G. T. and the Parliamentary Socialist group. Upon its presentation in final form

¹ *L'Économiste Européen*, May 4, 1920.

² "Nationalization", editorial in *Edinburgh Review*, vol. 231, no. 471, January, 1920, p. 196.

³ *La Journée Industrielle*, August 12, 1920.

⁴ Interview with M. Seinart, new Secretary-General of the National Railway Federation.

⁵ Statistics of fall elections. See *Journal Officiel*, Nov. 2, 3, 5, 1920.

in the reports of the Commissions of Finance and of Public Works, the program was cordially received by all wings.¹

The Le Troquer project was truly a needed reform. It was well adapted to the particular needs of the railroad system under the abnormal post-war conditions. It was designed to liquidate the past, while providing assurance for the future. The "Guarantee of Interest" was to be considered as having stopped in 1914, the State thus erasing the war-time debt. In return, the companies renounced their claims for damages due to the War. For the future, the new Convention proposed to unify operation and effect financial equilibrium. The selfish war-time spirit of the private roads convinced the Minister of the need of unifying methods, equipment and rates, and correlating the means of transport. M. Le Troquer's plan achieved this union in the creation of a Committee of Administration which would be the active organ of the common interest of the private roads, each preserving its autonomy but without power to controvert the Committee's decision.

The unity of lines in this general railroad policy is assured by a Superior Council composed of representatives of the railroads, of their personnel, and also, in equal number, of public interests. This Superior Council would assume the character of an independent body interposed between the Government and the private interests. The companies and the public would no longer be exposed to the whims of a dogmatic Minister (a common evil of the pre-war situation). In line with all affairs involving the collective interests of the railroads, the Superior Council would also act as arbiter in disputes between the operators and the personnel. The Minister might review its decisions but only on appeal, and even then, subject to final consideration by the Council.

Financial equilibrium is assured by unifying private accounts. A common fund is to be established to cover possible deficits of operation and is to be enhanced by surpluses after, of course, each road has paid current expenses and charges. The latter would embrace periodic dividends to the shareholders and a

¹ See addresses by party leaders, *Journal Officiel*, Nov. and Dec., 1920.

"bonus" allocated one-third to the personnel and two-thirds to development of traffic and economy. Railroad rates would be raised or lowered, following the fluctuations of the Common Fund, on authorization of the Superior Council. The receipts and expenses would thus be apportioned in the interest of the general weal. The Convention elaborated minute details for purchase by the State of any line which by 1930 was operating at a deficit and gave no promise of success under private control. Finally, the Government agreed to make loans when necessary to tide over crucial periods and assure a high standard of service at all times.

The terms of the new Convention received close scrutiny in the Chamber for two months, during which time fifty-five amendments were proposed (only one of which was accepted), mostly by the Socialist *bloc* in an effort to prolong debate. Public opinion was becoming impatient, however, and on December 18, after M. Peret, President of the Chamber, had made some caustic remark about the moral significance of dilatory methods,¹ the Deputies adopted the measure by a vote of 383 to 181.

The new Convention was immediately submitted to the Senate. Here again, in spite of a vigorous appeal by the press for action, it was subjected to exhaustive analysis. The conservative Senate adhered to the Convention in principle but inserted modifications designed to subordinate the rate-making power of the Superior Council to Parliamentary supervision. Limitations were also placed on the procedure to be followed in distributing bonuses to the personnel. The changes were incorporated in a new bill, which after lengthy deliberation was accepted, 219 to 55, on July 9, 1921, and promptly resubmitted to the Chamber. The Minister of Public Works, and the private roads, tired of delay, immediately acquiesced in the changes. The Deputies no sooner received the document than they peremptorily voted for a three months' adjournment.² Party leaders were severely criticized for not forcing the meas-

¹ *Journal Officiel*, November 19, 1920.

² *Journal Officiel*, July 19, 1921.

ure through. However, it was well established that ratification in the fall would be immediate, and well-informed observers were inclined to regard the delay as a respite for the perfection of plans to put the new law on a working basis. The bill came before the Chamber in the first days of the fall session and was passed with surprising ease, by a vote of 408 to 176, on October 29, exactly eighteen months since it had first been placed on the books.¹

The radical press, of course, bitterly denounced the measure as being "the product of the Master Minds of the railways themselves, and flagrant testimony to the duping of the Ministry by ever-menacing capitalists".² One writer³ characterized the law as "An attempt to slink further away from the rational doctrine of State control". On the whole the law was well received by all elements whose interests were involved. The optimism it engendered was reflected in the boom of public service securities on the Paris Bourse and in the decrease of labor unrest.⁴

It is quite premature to make any predictions as to the probable success or failure of the new law. Suffice it to note that it has been regarded with the utmost favor both by the public⁵ and private roads, which look forward to a system of unified control and financial stability—two basic elements of progressive organization. The Socialist party and the C. G. T. continue to malign the measure but their opposition is offset by the enthusiasm with which the railroad operatives themselves regard

¹ *Journal des Débats*, Oct. 30, 1921.

² Marcel Cachin in *L'Humanité*, July 11, 1921.

³ M. Renaudel in *La France de Bordeaux*, July 19, 1921.

⁴ See statistics in the *Bulletin de La Société d'Études de l'Information Économique*, Sept. 10, 1921.

⁵ Since the completion of this article, the French government has evinced its sincerity and desire for the healthy growth of a new spirit in its railway service, by giving up (in March) its control of the huge "État" system, after more than a decade of unsuccessful bureaucratic management. This may be regarded as a masterly stroke on the part of the industrialist element, which dominates the French legislature as never before. Still more interesting, it probably marks the passing, for some time at least, of attempts at government ownership, always a cardinal point in programs of nationalization.

the reform. To them, it represents tangible benefits. They feel that henceforth they will be in a position to influence directly the national policies of transport and protect their own interests in the Superior Council. Besides, they will be allowed to share in the surpluses which will unquestionably ensue if the other provisions of the law are intelligently applied.

That the new law will weaken the adherence of the three hundred thousand railroad employees to the C. G. T., seems certain; equally certain, it would appear, will be its tendency to stabilize the relations between the operators and their personnel and to decrease considerably the power of those who in the past have been responsible for the railway tie-ups, so calamitous to the French industrial structure and to French industrial progress.

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